

A woman with long dark hair is shown in profile, using a red and white inhaler. The background is a soft-focus outdoor scene with yellow foliage. The Adherium logo, consisting of the word "adherium" in red lowercase letters and a red and white pill icon, is overlaid on the left side of the image.

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Investor Conference Call Q4 and Fiscal Year 2018

August 28, 2018

Forward Looking Statement

The following material is of a general nature and has only been prepared as a presentation aid. This presentation does NOT contain all of the information that may be required for evaluating Adherium Limited ACN 605 352 510 (Adherium or the Company), its assets, prospects or potential opportunities.

This presentation may contain budget information, forecasts and forward looking statements in respect of which there is NO guarantee of future performance and which of themselves involve significant risks (both known and unknown). Actual results and future outcomes will in all likelihood differ from those outlined herein.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding market size, future results, regulatory approvals, production targets, sales, staffing levels etc. All of such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, but are not limited to: (i) the possible delays in and the outcome of product development, (ii) risks relating to possible partnering or other like arrangements, (iii) the potential for delays in regulatory approvals, (iv) the unknown uptake and market penetration of any potential commercial products and (vi) other risks and uncertainties related to the Company’s prospects, assets / products and business strategy. This is particularly the case with companies such as Adherium which operate in the field of developing and commercializing medical devices and related services. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

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Digital Health Company Focused on Medication Adherence

Chronic Disease Platform Validated in Respiratory Disease



Proprietary and Protected

14 Patent Families
Across US, EU, China, Japan, AU, NZ

Robust Clinical Evidence

30 Trials in 40 Countries
72+ Peer-Reviewed Publications

Regulatory Success

Clearances in all G7 countries
CE Mark, FDA 510(k), US FCC, China, TGA.

Growing Acceptance

130K+ Hailie™ sensors distributed
Material Shift from Clinical to Commercial Sales

Global Expansion

65+ Healthcare Provider Programs
Acceptance in 40 countries

Rapidly Scaling Business

>150% Y-o-Y Revenue Growth
Biopharma, DtC and DtP opportunities

- Hailie Sensors were rebranded in May 2018; formerly known as Smartinhaler™

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Delivering on Guidance – Accelerating Growth

Goal: Ship a minimum of 25,000 Hailie sensors

- ✓ We shipped over 25,000 Hailie sensors to AstraZeneca and 27,000 Hailie sensors overall, a significant increase from the 18,000 sensors shipped in FY17

Goal: Obtain FDA 501(k) clearance to market SmartTouch for Symbicort pMDI in the U.S.

- ✓ Received both Rx and over-the-counter clearances for the Hailie sensor for Symbicort

Goal: Commercially launch medication adherence service solution in New Zealand and the U.S.

- ✓ The New Zealand and US direct-to-consumer offerings were both launched on schedule

Goal: Increase revenue to a range of \$5.7 to \$7 million AUD

- ✓ Adherium's FY18 revenue grew by over 150% to \$5.9 million AUD

Goal: Cash balance at June 30, 2018 of >\$10m AUD

- ✓ Adherium carefully managed cash and ended FY18 with a cash balance of \$12.1 million AUD

Fiscal 2018 Milestones and Recent Highlights



Global Expansion

- Shipped 27,000 Hailie™ sensors, a 49.1% year-over-year increase
- Significant increase in commercial rollouts of SmartTurbo™ in Europe and Australia
- Strong clinical results published in peer reviewed journals support additional regulatory clearances



Continued Innovation

- FDA 510(k) clearance for devices covering Symbicort, Proair, Qvar, Ventolin, Flovent
- FDA 510(k) clearance for OTC sales of Hailie™ sensor
- Next-gen mobile apps (iOS and Android) and cloud software platform



U.S. Commercialization

- Corporate headquarters moved to Silicon Valley, CA
- Installed strong, experienced executive team
- First DtP commercial program launched with Vitalus Health

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Financial Results Review

FY 2018 Financial Results

	12 months to June 30, 2018	12 months to June 30, 2017	Change % on comparable period basis
Revenue	\$5.9m	\$2.3m	150% increase
Gross profit	\$4.8 81% margin	\$1.2m 49% margin	311% increase
Other income (grants and interest)	\$0.8m	\$1.0m	21% decrease
Operating expenses	\$14.9m	\$15.0m	1% decrease
Net loss	\$9.3m	\$12.8m	27% decrease
Capital raised (net)	\$0.0m	\$7.5m	
Cash at balance date	\$12.1	\$22.8m	\$10.7m net use of funds
<i>(in AUD)</i>			

Fourth Quarter 2018 Cash Flows

	3 months to June 30, 2018	3 months to March 31, 2018	Change %
Receipts from customers	\$2.2m	\$2.0m	12% increase
Staff costs	\$2.0m	\$1.6m	20% decrease
Other operating cash outflows (net)	\$1.6m	\$1.4m	19% decrease
Total operating cash outflows	\$1.3m	\$1.0m	35% increase
	As at June 30, 2018	As at March 31, 2018	Change
Cash at balance date	\$12.1m	\$14.2m	\$2.1m net use of funds
<i>(in AUD)</i>			



Growth Strategies and Outlook



Market Channel

Direct to Payer and Provider (DtP)



Strategic Priorities

- US is ~40m patient and an estimated \$34B in avoidable healthcare costs
- B2B sales with initial focus on smaller, self-contained insurance systems for more rapid adoption and in market economic validation
- Larger self-insured corporations focused on lowering cost of coverage
- Subscription offering and sharing of Payer savings



Vitalus Relationship

- First program announced on May 1, World Asthma Day
- Expanded relationship now brings Hailie solution to more than 40,000 patients who see their network of lung specialists.



Fiscal Year 2019 Priorities

- Add new, revenue generating partnerships with payors and providers
- Build out a direct sales team for continued engagement

- Hailie Sensors were rebranded in May 2018; formerly known as Smartinhaler™

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Market Channel

Direct to Consumer (DtC)



Strategic Priorities

- Focus initially on US market (~40m Asthma and COPD patients)
- Direct, digital only marketing
- Highly targeted customer acquisition strategy
- Subscription offering



Commercial Launches

- New Zealand and U.S.
- SaaS - monthly subscription, including device and upgrades
- Accelerating patient subscribers towards goal of 10/day



Fiscal Year 2019 Priorities

- Focus on launch into the US market
- Build subscriptions
- Broaden awareness retailers and advocacy groups

- Hailie Sensors were rebranded in May 2018; formerly known as Smartinhaler™

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Market Channel

Biopharmaceutical Partners



Strategic Priorities

- Increasing volume in existing Hailie product lines by launching into new large markets
- Expanding product range leveraging existing OEM partnerships (beyond Symbicort®)
- Opportunistically evaluating new OEM distribution agreements



AstraZeneca

- First commercial shipments in the market
- Over 100,000+ devices shipped
- Multiple market and product launches
- Received FDA 501(k) OTC clearance to market Hailie for Symbicort in the USA



Fiscal Year 2019 Priorities

- Focus on launch into the US market
- Expand sensors to work with AZ drugs beyond Symbicort

Summary and Guidance

Commitment

Committed to \$500B+ opportunity in medication adherence

Execution

Extend the reach of our Hailie platform and grow subscriber base to 20,000 subscribers across our Direct-to-Consumer and Direct-to Payer channels

FY19 Guidance

- Continued strong revenue growth FY19
- Minimum 20,000 subscribers through DtP and DtC market channels

Vision

- Become the adherence company in Digital Health through employing data to ensure proper patient use of medication
- Reduce costs of healthcare, enhance comprehensive care, improve quality of patients' lives

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THANK YOU